

KENTUCKY

TEACHERS' RETIREMENT SYSTEM

ACTIVE MEMBER
EDITION



October/November
2006

2007 Session of the Kentucky General Assembly

The 2007 Session of the Kentucky General Assembly convenes January 2, 2007. As with all sessions of the Legislature, KTRS will use this time to remind members of the General Assembly of the importance of funding KTRS medical insurance for retirees. KTRS will also continue to educate legislators about the value of a defined benefit pension plan, not only for

KTRS members, but for the Commonwealth as a whole.

The Board of Trustees is considering "housekeeping legislation" for the 2007 Session that would largely make technical corrections and clarifications. The suggestions for these proposed amendments were made by retiree and education groups, as well as KTRS staff.

Opportunities for Savings in the KTRS Medical Insurance Fund

KTRS is reviewing and taking advantage of the options under the Medicare Modernization Act of 2003 that will enable cost containment within medical and prescription drug programs. Many entities like KTRS are choosing to keep their drug plans primary, while seeking the available subsidies offered by Medicare. They are also moving or contemplating a move to a Medicare Advantage Private Fee For Service Plan, as the Medicare medical subsidies are deeper than those with traditional Medicare Parts A and B.

These savings initiatives are not guaranteed to last indefinitely. However, the KTRS Board of Trustees views as part of its fiduciary responsibility the obligation to contain costs

where practical without shifting costs to members or decreasing members benefits, even if the savings measure is only available for the next few years. The recent changes to Medicare have been the greatest seen in 40 years, and the savings afforded by these changes are substantial enough to provide a positive impact on the KTRS Medical Insurance Fund.

KTRS, through its non-partisan involvement with groups such as the Public Sector Healthcare Roundtable, will continue to monitor any federal initiatives that will produce savings and help to maintain valuable medical and drug benefits for Kentucky educators.

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New Filing Deadline Proposed for June 1 Retirements.

July 1 is the most popular retirement date for KTRS members and, as such, it is also the busiest. In order to provide KTRS staff with adequate time to process the rush of retirement applications that request a July 1 retirement date, members must file their retirement applications at least one month ahead of time by having their applications postmarked no later than June 1. For the other eleven months of the year, under current regulations, members may file their retirement applications on or before the first day of the month in which they wish to retire.

June 1 is the second most requested retirement date and is becoming increasingly popular as recent warm winters have permitted classroom teachers to conclude their 185-day contract by the end of May. This growing number of retirement applications requesting a June 1 retirement date is making it increasingly difficult for KTRS counselors to process retirement applications and ensure timely payment of retirement allowances. At its September 18, 2006 meeting, the KTRS Board of Trustees approved the promulgation of an amendment to existing regulations that would require retirement applications requesting a June 1 retirement date to be postmarked no later than May 1. It is anticipated that this change will be effective beginning in 2007. Therefore, if you are anticipating a June 1, 2007 retirement date it is very important that you read future newsletters carefully for updates on this issue and plan to file your retirement application with KTRS no later than May 1, 2007.

Please Review Your Annual Statement ... It's New and IMPROVED!

The NEW and IMPROVED annual statements for fiscal year ending June 30, 2006, were mailed to members in October. These new statements, which are in an easier to read format, are designed to give you more information about your retirement account. The first page of the statement shows summary information about your account. The second page details how your account balance and years of service changed from last year to this year. It also lists the beneficiary information for your account that KTRS currently has on file. The third page details your salary and service credit earned by each year worked for a KTRS employer over the last 30 years.

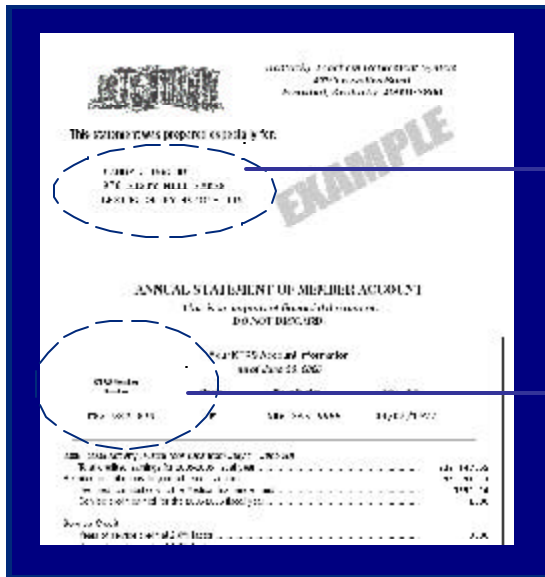
The accuracy of the information contained in this statement is important to your retirement and serves as the basis for preparing an estimate of your retirement benefits. To assist members in maintaining accurate retirement accounts, KTRS will perform service credit audits on accounts of members who will be eligible to retire in the next two years. You can help by carefully reviewing your statement to assure its accuracy. Please pay particular attention to the total service credit ending balance at June 30, 2006. Members are entitled to receive a full year of service credit if they have no more than five days without pay during a year. Your employer furnished the salary and service credit information reflected on your statement. If you think your account may have an error, please contact your employer, who will then notify KTRS of errors and/or omissions that need to be corrected.

We hope you find this NEW and IMPROVED statement helpful to understand what a great asset you have in your KTRS retirement account.

KTRS New Office Hours Monday - Friday 8:00am - 5:00pm

Effective October 1, 2006, the KTRS office began its new schedule of 8 a.m.-5 p.m., Eastern Time, Monday – Friday. The new schedule provides KTRS staff with extra time each day to better serve members who live in the Central Time Zone.

Your New Member Number is Unique and Protects Your Privacy



In an effort to help protect your privacy, KTRS has begun to remove your Social Security number from correspondence and replace it with a non SSN-based six-digit member identification number which is only recognizable to KTRS. This new MEMBER NUMBER will appear on personal communications you receive from KTRS. Most likely, the last correspondence you received was your 2006 Annual Statement. This new number is readily identifiable on the first page in the section titled "Your KTRS Account Information". We encourage you to always use this number when contacting KTRS.

Mid-Career Planning Workshops

Registration 5:30 – 5:40 P.M.
Workshop 5:40 - 8:30 P.M. (Local Time)

December 6, 2006
Breckinridge Inn Hotel
Louisville Room
2800 Breckenridge Lane
Louisville, KY

December 13, 2006
London Community Center
Meeting Room A/B
529 South Main
London, KY

January 9, 2007
Country Hearth Inn
Mahogany Room
1058 N Mulberry Street
Elizabethtown, KY

January 15, 2007
Holiday Inn South
Preakness Room
5532 Athens-Boonesboro Road
Lexington, KY

Pre-Retirement Seminars

Registration 9:00 – 9:15 A.M.
Seminar 9:15 A.M. – 1:00 P.M. (Local Time)

December 9, 2006
Erlanger-Elsmere Ind.
Lloyd High School
Dietz Auditorium, East of
HIGH SCHOOL
450 Bartlet Street
Erlanger, KY

January 20, 2007
Jefferson County Schools
Southern High School
8620 Preston Highway
Louisville, KY

February 17, 2007
Carter Caves SRP
344 Caveland Drive
Olive Hill, KY

March 10, 2007
KTRS
477 Versailles Road
(next door to the main 479
Versailles Road building)
Frankfort, KY

Please go to www.ktrs.ky.gov for all workshop & seminar REGISTRATION.

Deadlines for the Purchase of 2005-06 Service Credit are Approaching

- ◆ Full-time members who had unpaid contract days in the 2005-06 fiscal year should contact their employer about completing the Lost Services/Personal Contributions Form (LS-1). The completed form should be submitted to KTRS in order to finalize the purchase by the December 31, 2006 deadline.
- ◆ Part-time members who worked as substitute teachers or on a part-time basis in the 2005-06 fiscal year and earned at least .70-year of service should contact their employer about completing the Lost Services/Personal Contribution Form (LS-1). The completed form should be submitted to KTRS in order to finalize the purchase by the December 31, 2006 deadline.
- ◆ Members who were granted leaves of absence in the 2005-06 year should contact KTRS about purchasing the unpaid days covered by the leave of absence. The deadline for this type of purchase is June 30, 2007.

KTRS Holiday Schedule

The Kentucky Teachers' Retirement System will be closed to observe the upcoming holidays:

Thanksgiving
Thursday & Friday,
November 23-24, 2006

Christmas
Monday & Tuesday,
December 25-26, 2006

New Year's
Friday & Monday,
December 29, 2006 &
January 1, 2007